



DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Care Financing
Administration
Region IX

Refer to: MCD-RHR

75 Hawthorne St.
Suite 401
San Francisco, CA 94105

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DIRECTOR'S OFFICE
JUN -4 PM 6:47

MAY 23 2001

Phyllis Biedess, Director
Arizona Health Care Cost Containment System
801 E. Jefferson
Phoenix, AZ 85034

Dear Ms. Biedess:

Enclosed is an approved copy of Arizona State plan amendment (SPA) 01-001, which implements less restrictive income and resource methodologies for determining Medicaid eligibility. I am approving this SPA with the effective of May 11, 2001.

If you have any questions, please have your staff contact Ronald Reepen at (415) 744-3601.

Sincerely,

Linda Minamoto
Associate Regional Administrator
Division of Medicaid

Enclosures

cc:

Joan Peterson, HCFA, CMSO, FCHPG
Elliot Weisman, HCFA, CMSO, PCPG

xc: Phyllis/ Branch
Lynn - orig.
Joanne R.

August 1991

(BPD)

Attachment 22-A

Page 9c

OMB No.: 0938-

State: Arizona

Agency*

Citation(s)

Groups Covered

B. Optional Groups Other Than the Medically Needy

42 CFR 435.210
1902(a)
(10)(A)(ii)(I) and
1905(a) of the Act

- ☒ 1. Individuals described below who meet the income and resource requirements of AFDC, SSI, or an optional State supplement as specified in 42 CFR 435.230, but who do not receive cash assistance.

☐ The plan covers all individuals as described above.

☒ The plan covers only the following group or groups of individuals:

☒ Aged
☒ Blind
☒ Disabled
☒ Caretaker relatives
☐ Pregnant women

42 CFR
435.211

- ☒ 2. Individuals who would be eligible for AFDC, SSI or an optional State supplement as specified in 42 CFR 435.230, if they were not in a medical institution.

*Agency that determines eligibility for coverage.

TN No. 01-001
Supersedes
TN No. 92-001

Approval Date MAY 23 2001

Effective Date MAY 11 2001

HCFA ID: 7983E

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Arizona

ELIGIBILITY CONDITIONS AND REQUIREMENTS

Citation(s)	Condition or Requirement
42 CFR 435.721 435.831, and 1902(m)(1)(B)(m)(4) and 1902(r)(2) of the Act	<p>b. <u>Aged individuals</u>. In determining countable income for aged individuals, including aged individuals with incomes up to the Federal poverty level described in section 1902(m)(1) of the Act, the following methods are used:</p> <p><input type="checkbox"/> The methods of the SSI program only.</p> <p><input checked="" type="checkbox"/> The methods of the SSI program and/or any more liberal methods described in <u>Supplement 8a to ATTACHMENT 2.6-A</u>.</p> <p>See <u>Supplement 14 to ATTACHMENT 2.6-A</u></p>

State: Arizona

Citation	Condition or Requirement
42CFR 435.721 and 435.831 1902(m)(1)(B),(m)(4), and 1902(r)(2) of the Act	<p>c. <u>Blind individuals</u>. In determining countable income for blind individuals, the following methods are used:</p> <p><input type="checkbox"/> The methods of the SSI program only.</p> <p><input checked="" type="checkbox"/> SSI methods and/or any more liberal methods described in <u>Supplement 8a to ATTACHMENT 2.6-A</u>.</p> <p>See <u>Supplement 14 to ATTACHMENT 2.6-A</u>.</p> <p><input type="checkbox"/> For individuals other than optional State supplement recipients, more restrictive methods than SSI, applied under the provisions of section 1902(f) of the Act, as specified in <u>Supplement 4 to ATTACHMENT 2.6-A</u>, and any more liberal methods described in <u>Supplement 8a to ATTACHMENT 2.6-A</u>.</p> <p><input type="checkbox"/> For institutional couples, the methods specified under section 1611(e)(5) of the Act.</p> <p><input type="checkbox"/> For optional State supplement recipients under §435.230, income methods more liberal than SSI, as specified in <u>Supplement 4 to ATTACHMENT 2.6-A</u>.</p> <p><input type="checkbox"/> For optional State supplement recipients in section 1902(f) States and SSI criteria States without section 1616 or 1634 agreements –</p> <p><input type="checkbox"/> SSI methods only.</p> <p><input type="checkbox"/> SSI methods and/or any more liberal methods then SSI described in <u>Supplement 8a to ATTACHMENT 2.6-A</u>.</p> <p><input type="checkbox"/> Methods more restrictive and/or more liberal than SSI. More restrictive methods are described in <u>Supplement 4 to ATTACHMENT 2.6-A</u> and more liberal methods are described in <u>Supplement 8a to ATTACHMENT 2.6-A</u>.</p>

State: Arizona

Citation

Condition or Requirement

In determining relative responsibility, the agency considers only the income of spouse living in the same household as available to spouses and the income of parents as available to children living with parents until the a child reaches the age of 21.

42 CFR 435.721, and
435.831,
1902(m)(1)(B), (m)(4),
and 1902(r)(2) of the
Act

- d. Disabled individuals. In determining countable income of disabled individuals, including individuals with income up to the Federal poverty level described in section 1902(m) of the Act the following methods are used:

☐ The methods of the SSI program only.

☒ SSI methods and/or any more liberal methods described in Supplement 8a to ATTACHMENT 2.6-A.
(see Supplement 14 to ATTACHMENT 2.6-A)

☐ For institutional couples: the methods specified under section 1611(e)(5) of the Act.

☐ For optional State supplement recipients under § 435.230: income methods more liberal than SSI, as specified in Supplement 4 to ATTACHMENT 2.6-A.

☐ For individuals other than optional State supplement recipients (except aged and disabled individuals described in section 1903(m)(1) of the Act): more restrictive methods than SSI, applied under the provision of section 1902(f) of the Act, as specified in Supplement 4 to ATTACHMENT 2.6-A; and any more liberal methods described in Supplement 8a to ATTACHMENT 2.6-A.

State: Arizona

Citation	Condition or Requirement
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— For optional State supplement recipients in section 1902(f) States and SSI criteria States without section 1616 or 1634 agreements —
— SSI methods only.

— SSI methods and/or any more liberal methods than SSI described in Supplement 8a to ATTACHMENT 2.6-A.

— Methods more restrictive and/or more liberal than SSI, except for aged and disabled individuals described in section 1902(m)(1) of the Act. More restrictive methods are described in Supplement 4 to ATTACHMENT 2.6-A and more liberal methods are specified in Supplement 8a to ATTACHMENT 2.6-A.

In determining relative financial responsibility, the agency considers only the income of spouses living in the same household as available to spouses and the income of parents as available to children living with parents until a child reaches the age of 21.

State: Arizona

Citation	Condition or Requirement
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5. Methods for Determining Resources

1902(a)(10)(A),
1902(a)(10)(C),
1902(m)(1)(B)
and (C), and
1902(r) of the
Act

- b. Aged individuals. For aged individuals covered under section 1902(a)(10)(A)(ii)(X) of the Act, the agency used the following methods for treatment of resources:

- ☐ The methods of the SSI program.
- ☒ SSI methods and/or any more liberal methods described in Supplement 8b to ATTACHMENT 2.6-A.
- ☐ Methods that are more restrictive (except for individuals described in section 1902(m)(1) of the Act) and/or more liberal than those of the SSI program. Supplement 5 to ATTACHMENT 2.6-A describes the more restrictive methods and Supplement 8b to ATTACHMENT 2.6-A specifies the more liberal methods.

State: Arizona

Citation	Condition or Requirement
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In determining relative financial responsibility, the agency considers only the resources of spouses living in the same household as available to spouses.

1902(a)(10)(A),
1902(a)(10)(C),
1902(m)(1)(B), and
1902 (r) of the Act

- c. Blind individuals. For blind individuals the agency uses the following methods for treatment of resources:

- ☐ The methods of the SSI program only.
- ☒ SSI methods and/or any more liberal methods described in Supplement 8b to ATTACHMENT 2.6-A.
- ☐ Methods that are more restrictive and/or more liberal than those of the SSI program. Supplement 5 to ATTACHMENT 2.6-A describes the more restrictive methods and Supplement 8b to ATTACHMENT 2.6-A specifies the more liberal methods.

In determining relative financial responsibility, the agency considers only the resources of spouses living in the same household as available to spouses and the resources of parents as available to children living with their parents until a child reaches the age of 21.

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State: Arizona

Citation	Condition or Requirement
1902(a)(10)(A), 1902(a)(10)(C), 1902(m)(1)(B) and (C), and 1902 (r)(2) of the Act	<p>d. <u>Disabled individuals, including individuals covered under section 1902(a)(10)(A)(ii)(X) of the Act.</u> The agency uses the following methods for the treatment of resources:</p> <p>— The methods of the SSI program only.</p> <p><u>X</u> SSI methods and/or any more liberal methods described in <u>Supplement 8a to ATTACHMENT 2.6-A.</u></p> <p>— Methods that are more restrictive (except for individuals described in section 1902(m)(1) of the Act) and/or more liberal than those under the SSI program. More restrictive methods are described in <u>Supplement 5 to ATTACHMENT 2.6-A</u> and more liberal methods are specified in <u>Supplement 8b to ATTACHMENT 2.6-A.</u></p> <p>In determining relative financial responsibility, the agency considers only the resources of spouses living in the same household as available to spouses and the resources of parents as available to children living with parents until a child reaches the age of 21.</p>
1902(l)(3) and 1902(r)(2) of the Act	<p>e. <u>Poverty level pregnant women covered under sections 1902(a)(10)(A)(i)(IV) and 1902(a)(10)(A)(ii)(IX)(A) of the Act.</u></p> <p>The agency uses the following methods in the treatment of resources.</p> <p>— The methods of the SSI program only.</p> <p>— The methods of the SSI programs and/or any more liberal methods described in <u>Supplement 5a or Supplement 8b to ATTACHMENT 2.6-A.</u></p>

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MAY 11 2001

State/Territory: Arizona

Citation	Condition or Requirement
1905(p)(1)(C) and (D) and 1902(r)(2) of the Act	5. h. <u>For Qualified Medicare beneficiaries and SLMBs, QI-Is and QI-IIs, covered under section 1902(a)(10)(E)(i), (iii) and (iv) of the Act</u> the agency uses the following methods for treatment of resources: ___ The methods of the SSI program only. <u>X</u> The methods of the SSI program and/or more liberal methods as described in <u>Supplement 8b to ATTACHMENT 2.6-A.</u>
1905(s) of the Act	i. For qualified disabled and working individuals covered under section 1902(a)(10)(E)(ii) of the Act, the agency uses SSI program methods for the treatment of resources.
1902(u) of the Act	j. For COBRA continuation beneficiaries, the agency uses the following methods for treatment of resources: ___ The methods of the SSI program only. ___ More restrictive methods applied under section 1902(f) of the Act as described in <u>Supplement 5 to ATTACHMENT 2.6-A.</u>

MAY 23 1991

MAY 11 1991

TN No. 01-001
Supersedes
TN No. 92-002

Approval Date _____

Effective Date 01-01-91

HCFA ID: 7985E

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ARIZONA

MORE LIBERAL METHODS OF TREATING INCOME UNDER SECTION 1902(r)(2)
OF THE ACT*

 Section 1902(f) State

 X Non-Section 1902(f) State

- I. The following income method applies to individuals covered in Section 1905(p) of the Act (QMB, SLMB, QI-1, and QI-2) and in Section 1902(a)(10)(A)(ii)(I) of the Act (SSI Non Cash).

The State shall follow SSI computation rules with following exceptions:

- For an applicant or recipient living with a spouse, the computation rules for an eligible couple shall be followed, even when the spouse is not eligible for or applying for SSI or Medicaid benefits.
- For a couple living with a child** (or children), a deduction from the combined net income of the couple shall be allowed as an allocation for each child using the methodology described in 20 CFR 416.1163(b)(1) and (2) regardless of whether the child is ineligible or eligible. The child's allocation is reduced by that child's income [20CFR 416.1161(c)], including public income-maintenance payments.

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ARIZONA

- For an applicant/recipient not living with a spouse but living with his or her child** (or children), a deduction from the individual's net income shall be allowed as an allocation for each child using the methodology described in 20 CFR 416.1163(b)(1) and (2), regardless of whether the child is ineligible or eligible. The child's allocation is reduced by that child's income [20 CFR 416.1161(c)], including public income-maintenance payments.
 - For an applicant/recipient who is a child, the deemed income from an ineligible parent shall allow an allocation for both eligible and ineligible children of the parent(s) using the methodology described in 20 CFR 416.1165(b). The child's allocation is reduced by that child's income [20 CFR 416.1161(c)], including public income-maintenance payments.
- II. Except for ALTCS eligibility, including individuals approved for ALTCS acute care services under 1902(a)(10)(A)(ii)(I) of the Act, the following income method applies to aged, blind or disabled individuals covered under 1902(a)(10)(A)(ii)(I) of the Act.

The State shall disregard the amount equal to the difference between 100% of the Federal poverty guidelines (as revised annually in the Federal Register) for an individual or a couple and the corresponding Federal Benefit Rate. (The disregard shall be applied by using 100% of the FPL for an individual or a couple as the income standard.)

When applying this disregard, if the individual or the individual's spouse has earned income, the \$20 and \$65 disregards shall apply according to SSI methodology, but not one-half of the remainder. If ineligible because the one-half of the remainder disregard is not allowed, eligibility shall also be determined using the FBR as the income standard for the individual or couple, allowing the \$20, \$65, and one-half of the remainder disregard according to SSI methodology.

* More liberal methods may not result in exceeding income limitations under section 1903(f)

** A child is a person, as defined in 20 CFR 416.1856, who is a natural child or adopted child of the applicant/recipient or his or her spouse.

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TN No. 01-001

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TN No. 96-011

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MAY 11 2001
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HCFA ID: 7985E

**MORE LIBERAL METHODS OF TREATING RESOURCES
UNDER SECTION 1902 (r)(2) OF THE ACT***

 Section 1902(f) State

 X Non-Section 1902(f) State

1. The following resource methodology applies to individuals covered in Section 1905(p) (QMB, SLMB, QI-1, and QI-2), and, except for ALTCS eligibility, including individuals approved for ALTCS acute care services under 1902(a)(10)(A)(ii)(I) of the Act, aged, blind or disabled individuals covered in Section 1902(a)(10)(A)(ii)(I) of the Act:

All resources shall be excluded.

2. The following resource methodology applies to individuals covered in Section 1902(a)(10)(A)(ii)(V) :
- a. Rather than the disregards described at section 1613(d) of the Social Security Act, the following disregards are used:
- Term insurance;
 - Burial insurance;
 - Assets that an individual has irrevocably assigned to fund the expenses of a burial;
 - The value of all life insurance when the face value does not exceed \$1,500 (total per insured individual) and the policy has not been assigned to fund a pre-need burial plan or declaratively designated as a burial fund;
 - Burial plot items as defined in 1613(a)(2)(B) of the Social Security Act;
 - At the time of the eligibility determination, \$1,500 of the equity value of an asset declaratively designated as a burial fund or a revocable burial arrangement when there is no irrevocable burial arrangement, and
 - If an individual remains continuously eligible, all appreciation in value of his assets will also be disregarded.
- b. Disregard the value of all household goods and personal effects in the resource eligibility determination.
- c. Disregard the value of oil, mineral and timber rights in the resource eligibility determination.

3. The following resource methodology applies to individuals covered in Section 1902(a)(10)(A)(ii)(IV) and (V).

Rather than performing resource determinations as of the first moment of the month, resource determinations may be made at any time during the month. If the individual's resources are within the resource limit at any time during the month, the individual will be eligible for the entire calendar month.

4. The following resource methodology applies to individuals covered in Section 1902(a)(10)(A)(ii)(V) and 1902(a)(10)(E)(i).

Disregard the value of payments refunded by a nursing facility to an individual who is entitled to medical assistance for nursing facility services as required by Section 1919(c)(5) of the Social Security Act for a period of six months beginning the month the refund is received. This disregard applies only to refunds received after Medicaid approval that are for nursing facility payments made during the period after the Medicaid application was pending approval. However, transfer penalties will apply if a refund is transferred without receipt of adequate compensation.

5. Except for ALTCS eligibility, including individuals approved for ALTCS acute care services under 1902(a)(10)(A)(ii)(I) of the Act, the following resource methodology applies to individuals covered in Section 1902(a)(10)(A)(ii)(I) and is limited to "Ribicoff" children, caretaker relatives of dependent children, and 18-year old students included in Section 1905(a)(i) and (ii).

All resources shall be excluded.